

COMMENTS ON SPEECH OF MILO A. BORGES BEFORE REGIONAL CONFERENCE ON PROBLEMS OF FOREIGN TRADE AND INVESTMENT

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Unlike Sarah Bernhardt, I trust that this is really a farewell performance. I was very much interested in what Mr. Borges said about Latin American labor legislation. As you can see from his description of a sampling of four countries, their labor legislation is far more extensive than that in this country. Most of the provisions with respect to vacations with pay, sick benefits and the like are reserved for collective bargaining contracts here, where far less is done by the legislative route.

There is one factor that was missing from the labor codes as he described them, which, I think, might be worth mentioning. It is very rare to find in a Latin American country any system of unemployment compensation, which is one of the key protections employees have in the United States. It should be recognized, of course, that unemployment compensation, even in the United States, is of relatively recent origin, being much more widespread in Europe than here at an earlier time. But Latin America has not caught up in that respect.

Secondly, although Mr. Borges stated in passing that the codes to which he adverted also regulated unions, the provisions of those codes, had he had the time to go into them, would have disclosed a very minute regulation of unions indeed. Unions in most of Latin American countries have to be registered; the manner of electing their officers is prescribed; there is, in fact, almost a cradle-to-the-grave regulation of the conduct of unions. Thirdly, in Latin America you find nothing like the institution of collective bargaining as we know it. In some countries there are rudimentary practices of collective bargaining, but the bread-and-butter unionism that we know in this country, which spends most of its resources of time and energy in collective bargaining, believing in collective bargaining as the principal means of serving its members, has no counterpart there in any real sense. Finally, I would like to mention, before raising questions as to why there are these differences, that there is a vast difference between the codes and their enforcement from time to time.

That brings me to what I think is the key difference between the labor movement in Latin America and in the United States, and the reason for it, which may illuminate the other variations noted. The Latin American labor movement is highly political. The unions are associated with political parties; their fortunes rise and fall with the power of the political parties with which they are associated. The degree to which the labor laws are enforced from country to country and from time to

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time depend upon this political alliance. The trade union leader in Latin America is often a politician on the make, with the trade union movement being used as a stepping stone to a political career to a much greater extent than we know this kind of thing. Their history of labor unionism is an emanation of the Central European and Spanish tradition, in which a semi-feudal system of authority governed the management of the economy. Operating in this system, labor unions believed they had to get political power in order to ameliorate the condition of the working man. They, therefore, proceeded via the legislative route rather than the economic route—from the top down rather than from the bottom up, to achieve that economic betterment.

Our own situation was quite different. Here, partly because of local conditions, partly because our tradition of trade unionism came primarily from England, Scotland and Wales, we have witnessed a much more pragmatic, bread-and-butter unionism develop, with ideological inroads coming from Central Europe at later stages, but beaten off by a deeply-engrained pragmatic approach to economic betterment on the part of our labor unions and their constituents. In the United States, there has been a suspicion of political tie-ups, the effort on the political level has been limited, until very recently, to "rewarding friends and punishing enemies" on a selective basis. Here, the emphasis has been on business unionism—wages, hours, and conditions, with efforts progressively to improve these by the collective bargaining method, and a deep suspicion of government regulation. In Latin America it has been the other way round. This has also been true, to a considerable extent, in Central Europe.

What is happening now, interestingly enough, I think, is that in Latin America labor unions are beginning to see the virtues of collective bargaining and have made the bare beginnings of collective bargaining as we know it. In this country, on the other hand, labor unions, having trod the road of collective bargaining, have exhibited lately some tendency to move into the political arena to a greater extent. This tendency does not approach the extent to which unions have gone in this direction in Europe or Latin America, and I doubt that it ever will. Nevertheless, and undoubtedly in response to rapidly changing conditions in both areas, there has been a development toward the political in this country and toward collective bargaining in Latin America.